

NOVEMBER, 1971

CO-OP
DIGEST

**THE CO-OPERATIVE FEDERATION
OF VICTORIA**

CO-OP DIGEST

Co-op Digest may go national. The council of the Co-operative Federation of Australia at its meeting in Melbourne two months ago decided to ask the Co-operative Federation of Victoria to produce the Digest for all States.

The Co-operative Federation of Victoria has agreed in principle with the request. CFA has circulated its affiliated State bodies, and provided sufficient support is forthcoming from the various States, Co-op Digest will go national from a date to be decided.

This issue is being forwarded to each State Federation to give them an opportunity to decide on its suitability.

The Digest will be directed towards education of directors, committee members, employees and voluntary workers.

Future issues will contain more thought-provoking articles on particular subjects and, if Digest is to be national, there will be coverage of all States.

Present policy is three issues per year for a yearly subscription of \$1. Sufficient national support may make it possible to produce four copies per year for the same subscription.

CO-OP DIGEST

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The Co-operative Federation of Australia

THE Co-operative Federation of Australia is the co-ordinating body for all co-operative activity in the Commonwealth.

It consists of the State federations of Queensland, New South Wales, Western Australia, Victoria, and individual society representation from South Australia. A number of individual co-operatives are associate members.

Although it is impossible to obtain accurate statistics of all the co-operative activities within Australia, it seems that somewhere between 1½ and 2 million families are members of co-operatives.

While not interfering with the tasks of the various State bodies, the CFA has been active within the areas assigned to it. It keeps in regular contact with the Federal Government regarding co-operative activity and has been watching carefully a series of attacks made in Queensland on the method of taxation applicable to co-operatives.

Arising from its recent annual meeting, it has made submissions to the Federal Government on the question of protection and promotion of rural production through co-operatives.

Two specific proposals were put forward. One was the introduction of rural credit facilities through co-opera-

THE VITAL LINK

tive farm credit as in the USA, South Africa and a number of European countries. This provides for the co-operative movement, with the assistance of Federal Government funds, to make loans to members on a long-term basis for rural development.

The other proposal is based on a British scheme whereby the Government subsidises the formation and early development of co-operatives to create viable production units within the rural economy.

Another important aspect of the CFA's work is the exchange of information between co-operatives in various States, and the advice of new techniques and activities which give rise to interstate discussion and perhaps further action in various areas.

It is impossible in a short space to outline completely the work of the Australian body, but its association in the international field through the International Co-operative Alliance is noteworthy.

Much valuable work has been done in the Pacific area particularly by the President, Bill Kidston.

As well, Australia has acted as host to a number of technical meetings, study groups and individuals from Asia who have visited this country to learn more of co-operative organisations and techniques.

The Co-operative Federation of Australia is very conscious of the important role that it has in the Australian co-operative movement and its present feelings could perhaps be summarised in this extract from its 1971 annual report:

"IF THIS federation is to develop to a position where its co-ordinating function, its advisory services, its public



*Bill Kidston
CFA President*

relations programmes, its position as representing co-operative business and social interests throughout Australia will be accepted by all, then great progress is required urgently, and this can only be achieved by increased active support from the co-operative directors, management and officials.

"Given that moral and financial support your council will continue to expand and develop the ground work already covered."



Breeders
see co-ops
as the
answer
to split
threat

THE Artificial Breeding Association of Victoria was formed on January 29, 1957, at a meeting of cattle artificial insemination groups convened by the Victorian Herd Improvement Association.

Seven AI centres were in operation at that time—Colac, Central Gippsland, Warragul, Bunyip, Yarram, Fish Creek, and Werribee District. The VHIA was keen to have a body to co-ordinate AI work and to assist in setting up AI centres.

In the beginning the VHIA did the clerical work for the ABA of Victoria and the Royal Agricultural Society of Victoria the secretarial work.

Then in March, 1958, the ABA planned the formation of a co-operative society for the establishment of a bull farm and sought State Government support—either by way of land or cash to obtain land. The Government decided to make a grant of £20,000.

After learning of the grant, the ABA at a meeting on July 17, 1958, adopted a resolution that "in order to promote artificial breeding in Victoria, a co-operative society be formed for the establishment of a bull farm and semen distributing centre".

The society was registered as "Victorian Artificial Breeders' Co-operative" and by the time of its first annual meeting on September 22, 1959, was able to

report that it had bought "Parwan Park", Bacchus Marsh, for £90,000 and that it had received the Government's £20,000 grant.

This farmer-owned and controlled co-operative has over 10,000 shareholders and supplies semen to the affiliated AI centres throughout Victoria.

Tasks

The Artificial Breeding Association of Victoria undertakes on behalf of all AB users in the state to represent them in promoting artificial breeding as a means of herd improvement. This wide-ranging task includes:

FINDING solutions to administrative problems encountered by active AB centres, such as insurance, conditions of employment, taxation.

LIAISON with the many associated organisations in regard to field matters (VHIA, VAB, and Department of Agriculture representatives attend most meetings of the Executive).

CONSULTATION with Government bodies regarding drafting and administration of laws relating to artificial breeding (One such conference this year achieved significant changes).

FORMULATION and discussion of policy matters

regarding the future role of AB, and its relationship through herd testing to the whole improvement concept (ABA recently adopted a "breeding programme" setting out the criteria considered necessary for effective use of AB in Victoria).

TO foster and promote a co-operative view and structure within the Victorian AB industry.

It is not necessary for affiliated centres to be co-operatives. AB however does seek to promote the view that this industry can best be founded on an involvement by farmers and organisations linked by their investment and beliefs into a structure that provides mutual and fair benefits to all.

The opposite trend would be to have the industry break up into a large number of small operators, each motivated more by profit than by service. There is a distinct danger of such a development. ABA joined the Co-operative Federation of Victoria in an attempt to develop the co-operative aspects of AB administration.

Many local AI centres have formed and registered Artificial Breeding Co-operatives. Thirty-two of these co-operatives, with an aggregate membership of over 8,500 shareholders, are members of the Artificial Breeding Association of Victoria. □

Victoria host to ICA talks

DELEGATES at the International Co-operative Alliance Advisory Committee meeting in Melbourne early this month. This successful meeting brought together representatives from 13 South-East Asian countries, to discuss co-operation in the region.





Pioneers' principles hold good today

THE last desperate move by a German mayor to save his stricken township 122 years ago today is giving millions of people throughout the world the chance of a better life.

Germany in 1849 was in the grip of a severe depression, and few towns were as badly hit as the southern farming centre of Flammersfield. Drought had destroyed two successive crops and farmers were plunged into debt to moneylenders.

Many were forced to forfeit their homes and possessions to meet the high interest rates.

The future for Flammersfield looked bleak and Mayor Friedrich Wilhelm Raiffeisen was troubled. He approached the town's wealthy — but charity was not the answer. As one plan after another failed, he began to despair. Eventually, he realised the only solution was for the people to help themselves. It was a daring scheme.

Mayor Raiffeisen suggested that the villagers pool whatever they had, and lend to each other at low interest rates. When they dropped their meagre savings into the pool, the townsfolk found

VICTORIAN CREDIT CO-OPERATIVE CREDIT ASSOCIATION

they had amassed a small and collective fortune . . . and created the first credit union.

Raiffeisen believed the people had a common bond holding them together — a bond that gave each member a strong sense of responsibility to the group.

Only those within the common bond could save and borrow from the central fund. Loans would be made only for good and productive purposes.

These basic principles evolved by Flammersfield's pioneers hold good today for 70,000 Victorians linked by 156 credit unions to the Victorian Credit Co-operative Association Limited.

The VCCA was formed in 1957 by three credit unions — YCW Central Credit Co-op.; St. Gabriel's, Reservoir; St. Peter's, East Bentleigh —

— to protect and promote the interests of credit unions in the State. In 1966 its composition was changed when the bond of association was broadened to allow membership by all credit unions—whether their common bond was occupation, residence or association.

Owned and controlled by its members, the VCCA is financed by subscriptions from member credit unions. Its objects include:

- Co-ordination of policy, operating methods and practises of component societies.
- Development of new credit unions.
- Services to member credit unions, particularly by advocating and supporting co-operative effort, and by conducting education courses in co-operative operative principles, management and accountancy.
- Establish and maintain a fund to—
 - (a) Assist member credit unions in merger or liquidation.
 - (b) Fully protect the savings of the members of affiliated credit unions.
 - (c) Generally further and protect the reputation and public image of credit unions in Victoria.

The VCCA is active in many areas, mainly:

LEGISLATION — a united voice is essential to the improvement and protection of credit unions in Victoria.

PUBLIC RELATIONS — advertising through all media, the development of promotional materials.

SUPPLY — availability of necessary paperwork, etc.

MANAGEMENT ASSISTANCE — to all member credit unions.

EDUCATION — provision of officer and member education programmes, seminars, the supply of speakers, films, etc.

FIELD SERVICE — assistance to credit unions in all aspects of operation, including accounting, policy guidance, operation analysis.

CENTRAL BANKING—providing a means of depository for the surplus funds of member credit unions, and to act as a "lender of last resort" in the provision of short term accommodation.

The 156 members of the VCCA range from the Netherlands Credit Union (with 27 members and two non-member depositors) to the SEC with 4,300 members (and 200-non-members).

According to figures as at June 30, 1970, there were 710 credit unions throughout Australia, with 342,261 members. Their deposits total \$125,705,841; loans, \$120,288,676; assets, \$137,412,387; reserves, \$2,300,000.



GIPPSLAND VENTURE GREW NATIONAL

EARLY this century the Gippsland and Northern Co-operative Selling and Insurance Company Ltd. was registered to underwrite fire insurance business.

But the First World War broke out and the directors decided to defer establishing an insurance department until conditions became more favourable.

In the meantime, Western District Co-operative Produce and Insurance Co. Ltd. had altered its title to become registered to underwrite insurance business.

When the war ceased it was obvious to both companies that it would be to their mutual advantage—and also strengthen the co-operative movement generally—to establish a joint insurance company. Accordingly, in 1918, the Co-operative Insurance Company of Victoria was launched.

The venture prospered and attracted interest from other States, the name was changed to The Co-operative Insurance Company of Aust-

The Co-operative Insurance Company of Australia Limited

ralia Ltd. Soon, South Australian Farmers' Co-operative Union Ltd. (now Southern Farmers' Co-operative Ltd.) and Producers' Co-operative Distributing Society Ltd. from New South Wales had linked up with the new insurance company.

As a result, the CIC, as it was to become familiarly known, opened branches in Adelaide and Sydney. In 1924 it brought the block at 534 Collins St., Melbourne, on the corner of King St. This site is still the headquarters of both Head Office and the Victorian branch of the company.

Expansion continued and it was soon decided to extend into Queensland and Tasmania. Branches were opened in Brisbane and Hobart.

Having been soundly founded on mainly a rural co-operative basis, it was decided some years ago that membership should be opened to co-operative trading institutions. This move further strengthened the company with a greatly increased number of shareholders.

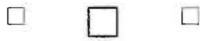
In 1969, the company formed a subsidiary, CIC Insurance Pty. Ltd., which is providing insurance service to co-operatives in Western Australia and the Territory of Papua and New Guinea.

A further step was taken in 1970 when National Co-operative Insurance Society Ltd. merged with CIC. During the same year, the YCW Co-operative Society, which had its own licensed insur-

ance division in Victoria linked with CIC.

With now well over 200 co-operative shareholding companies throughout Australia, CIC maintains the aims of its founders: all money expended on insurance by co-operatives and their shareholders is retained within the co-operative movement.

Since inception more than \$5 million has been distributed to these shareholders.



Other CFV members

IN addition to the co-operatives described in this and the first issue of "Co-op Digest", the following individual co-operatives are valued members and supporters of the Co-operative Federation of Victoria:

- ★ YCW Co-operative Society Ltd.;
- ★ Security Co-operative Permanent Building Society; and
- ★ Security Co-operative Land Society Ltd. (with which is associated Home Land Co-operative).

YCW Co-operative Society is registered under the Co-operation Act (1958) as a trading co-operative. Formed in 1947, it has 17,000 members and operates two divisions —

RETAIL trading: furniture, soft furnishings, floor coverings and household appliances for private homes; school and institutional furniture; and school and men's clothing.

continued next page

Security Co-operative Housing and its headquarters is at 49 a'Beckett St., Melbourne.

INSURANCE: provides all types of insurance cover through its shareholding agency with Co-operative Insurance Company of Australia Ltd.

The society has two shops in Melbourne through which it provides economic benefits for its members. Throughout its history it has been an excellent example of a co-operative devoting part of its funds to education and promotion of co-operatives.

Security Co-operative Permanent Building Society was formed in 1957 and registered under the Building Societies Act.

Its prime purpose was to raise money for home finance at a time when the flow of finance for the formation of terminating co-operative housing societies had slowed down. Money is raised from members and from the public.

Since formation it has loaned \$1.5 million to members for financing homes. Security Co-operative PBS is administered within the group of housing societies known as

Security Co-operative Land Society (with which is associated Home Land Co-operative) is an enterprise in land sub-division launched in 1964 to help solve the problem of high costs of land for building homes.

The method is to buy an area of land, develop it and to dispose of individual building blocks to members.

Non-profit making, the society operates economically by avoiding two costly items normally a part of land development and sale:

- By using members' share capital to meet development costs, borrowing of money for such purpose is made unnecessary — and by promoting membership of the co-operative there is no need to place the sale of blocks into outside hands, which would involve selling commission.

The co-operative has completed one sub-division (51 blocks) at Vermont and has another one well advanced at Seaford (31 blocks). Substantial savings per block have been achieved compared to what the members would have had to pay for similar blocks on the commercial market.



THE CO-OPERATIVE FEDERATION OF VICTORIA

- ★ Is a federation of co-operative associations, societies and corporations in Victoria.
- ★ It was founded in Melbourne in October, 1970.
- ★ The constitution states these as its objects:

TO encourage the application of co-operative principles and methods to economic and social needs by the formation and development of co-operative organisations and associations for distribution, manufacturing, marketing, housing, health insurance, credit and any other services or activities to which co-operative principles and methods may be applied.

TO carry on, encourage and assist educational and advis-

ory work relating to co-operative enterprises.

TO further and protect the interests of co-operatives by action in making representations to responsible authorities.

TO print, publish and circulate any newspapers or other publication in the interest of co-operative enterprises, practise and principles.

TO render services designed to ensure efficiency and uniformity in the conduct of the business of its members.

- ★ The present members are:

Associations, federations: Victorian Credit Co-operative Association Ltd.; Victorian Trading Co-operative Association Ltd.; The Artificial Breeding Association of Victoria; Federation of Co-operative Housing Societies of Victoria. **Societies or corporations:** The Phosphate Co-operative Company of Australia Ltd.; Co-operative Insurance Company of Australia Ltd.; Murray Goulburn Co-operative Co. Ltd.; YCW Co-operative Society Ltd.; Security Co-operative Permanent Building Society; Security Co-operative Land Society Ltd.

- ★ The CFV is a member of the Co-operative Federation of Australia.
- ★ The CFA is affiliated with the International Co-operative Alliance.

COST OF CO-OP DIGEST: \$1 for three copies per year

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(Secretary)

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